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Assistant General Counsel

21 June 1948

Assistant Director for Operations

Tax Exemption for FBIS Property on Cyprus

1. Reference is made (1) to memorandum from the Office of Operations to the Director of Central Intelligence, attention General Counsel, dated 15 May 1948, subject as above; and (2) to your memorandum to the Assistant Director, OO, dated 20 May 1948, subject as above.

2. Answers to the questions raised in paragraph 3a and 3b of your memorandum are as follows:

a. When the Chief, FBIS, was in England on or about 20 May 1948, a representative of the Colonial Office telephoned Mr. Malcolm Frost, Head of the EDC Monitoring Service, and requested information as to whether or not the exemption from local taxes in connection with the EDC-FBIS reciprocal arrangement was intended to include the property tax. After discussion with the Chief, FBIS, Mr. Frost advised this representative that it was his understanding that title to all U. S. Government property held in foreign countries was held in the name of the Department of State and was, therefore, exempt from taxation. It was the understanding of the Chief, FBIS, that the Colonial Office in London advised the Governor of Cyprus that no action should be taken on this for the time being, since representations for tax exemption would, in all probability, be forthcoming from the U. S. Department of State.

b. The estimated taxes on this property amount to \$350.00 annually.

OO/FB

LKW:gr:ba

cc: Addressee: Orig. & 1
OO-2
Ret. Chief, FBIS - 1
Admin. Office - 1

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